



How Can Virtual Restaurants Work For You?

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Introduction: Restaurants and the Food Delivery Market

The past two years have been devastating for independent restaurants, but they have also shown just how creative and resilient the hospitality industry can be. Operators and staff have worked together, pivoting to take-out and delivery markets, meal kits, in-store pantries and grocery shops, and expanding their off-sales of wine and spirits.

The pandemic has wreaked havoc on dine-in traffic, and most believe that the industry will never look the same, especially for independent businesses. Changes in consumer behaviour are here to stay, and the restaurateurs who reimagined their businesses from the ground up to weather the storm have also prepared themselves for future success by doing things like expanding delivery, embracing pickup, and boosting online presence.

Along with the raw fact of getting through the pandemic, delivery opened up new opportunities for restaurants to:

- **Reach new customers who have never dined in person**
- **Make better use of staff and kitchen capacity during slow periods**
- **Diversify and strengthen their business for the future**
- **Develop new revenue streams to invest in staff and growth.**

“The Canadian Food Delivery Market by the Numbers”



2022 revenue in the Online Food Delivery segment is projected to reach \$8.1B

With expected annual growth of 13.55%, 2025 market projected to be \$11.9B

Largest segment is Restaurant-to-Consumer Delivery at \$4.6B in 2022

The average revenue per user (ARPU) in the Online Food Delivery segment is projected to amount to just over \$465 CAD in 2022

The number of users in the Online Food Delivery segment is projected to reach 21.7m by 2025

49.4% of Canadians intend to continue ordering online at least once a week after the pandemic (CTV News)

(From Statista.com unless otherwise noted)

Savvy operators also saw that delivery could be a tool to help them survive and grow in the face of capacity restrictions, front of house staff, shortages, and even the full closure of in-house dining.

One of the most significant developments during this period has been the rise of virtual restaurants, a new approach to food delivery which has been used by restaurateurs to serve more customers, generate more revenue, and grow their delivery and take out business using their existing staff and equipment. Virtual restaurants made it possible to launch brand-new food concepts using existing kitchen and staff, with online-only storefronts.

With the slow return to something closer to the pre-pandemic normal, many restaurateurs have been asking themselves what they want their business to look like moving forward. For many, food delivery—including virtual restaurants—offers an important tool to support their brick-and-mortar operation and expand their business without expanding their dining room.



What are “Virtual Restaurants,” and How Do They Work?

Let’s first start by defining a “virtual restaurant.”

Virtual restaurants are delivery-only food concepts that operate out of existing restaurants or commercial kitchens. They accept orders exclusively online through apps and websites like UberEats, DoorDash, and Skip the Dishes. Virtual restaurant customers order from a separate menu, available exclusively online, and their orders are prepared by existing restaurant staff using existing kitchen equipment. In most cases, customers are less concerned with where the food is made and are more focused on whether it delivers on the promises of flavour, presentation, and speed.

There are two broad approaches to virtual restaurants

1. Creating your own virtual restaurant:

In this case, restaurateurs create their own virtual restaurant concept to reach more customers and offer more delivery options. This could be something like a standalone chicken wing or gourmet burger concept operating out of an existing fast casual restaurant. The restaurateurs spend the time to create a brand, menu, marketing, and to post and manage the menus on 3rd Party Deliver apps.

Customers who order from the new concepts may never be aware that they are ordering from the fast casual restaurant even though their meal is prepared using the same kitchen, ingredients, and staff.

2. Using third-party branded virtual restaurants

In this case, the work which goes into creating virtual restaurants including menu development, branding, costing, marketing, and packaging is done by a company which specializes in developing virtual restaurants, and often creates and manages a whole portfolio of virtual restaurant brands, giving partner kitchens access to a whole range of professional, polished brands.

In this case, restaurants and kitchens operate as fulfillment partners. Freed from the time and risk involved in developing menus, branding, packaging, and marketing, the kitchen partner can focus on cooking the food and fulfilling the orders with their existing kitchen and staff.

“Virtual restaurants are Here to Stay”

With growth supercharged by the Covid-19 pandemic, experts in the field estimate that, worldwide by 2030, virtual restaurants will make up:

- 50% of takeaway service**
- \$250 billion in sales**
- 50% of drive-thru service**



Why Bother with Virtual Restaurants? What are the Advantages?

Your restaurant is limited by its number of seats, but virtual restaurants offer a way to bring new orders and revenue to your business without extra investment and overhead and with minimal impact on your core operations.

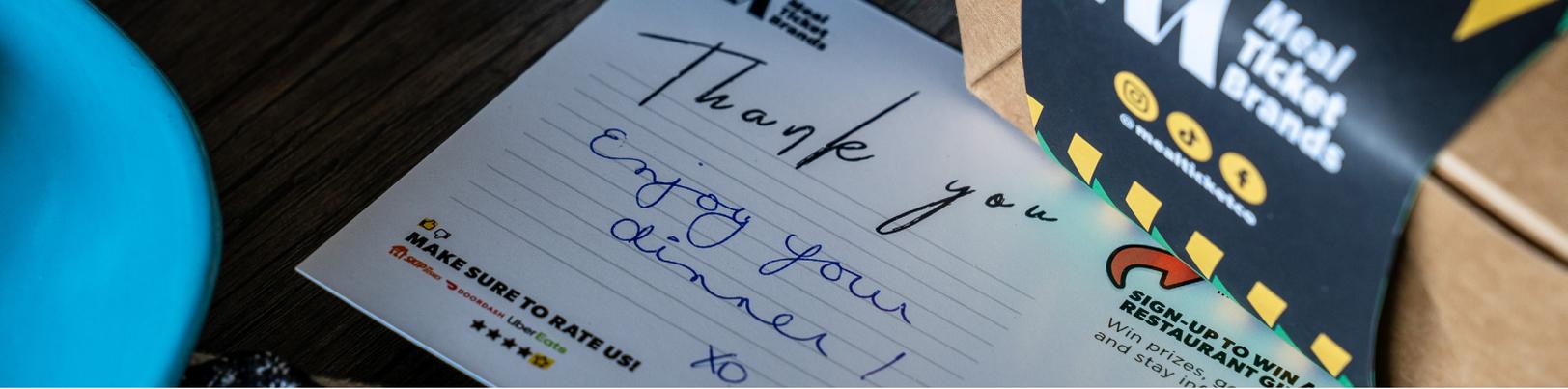
Here's what a virtual restaurant can give restaurants:

- **Access to new incremental revenue streams:** Virtual restaurants provide a way for brick-and mortar restaurants to bring in new orders, customers, and delivery sales without having to open a new physical location.
- **Business growth without adding overhead:** You can use the same staff and kitchen, and many of the same ingredients to operate a virtual restaurant concept, so there's little or no new overhead. Instead, you're just maximizing the output of your kitchen and staff.
- **Rapid ability to evolve and adapt:** Virtual restaurants can launch in about 1/4 the time of a physical restaurant concept—as little as three weeks! Partner kitchens are also liberated from the risk of an unsuccessful virtual brand. If one doesn't work, it can be replaced with another from the portfolio to stay on top of market trends.

**“Why Virtual
Restaurants
Work For You”**



- **Increased exposure on third party delivery sites:** at Meal Ticket Brands, we like to describe our virtual restaurants as “digital storefronts”. When a customer visits a third-party food delivery service like Uber Eats or Skip the Dishes, having only one brand limits your exposure during their shopping process. Each additional delivery brand you can add increases your visibility and gives diners more opportunities to order from your kitchen.
- **Access to new customers:** With a brand-new concept being prepared from your existing space offering a distinct menu and cuisine type, you'll be able to attract an entirely new set of customers, including those who may not be tempted by your brick and mortar brand.



Introducing Meal Ticket Brands Virtual Restaurants

Founded several years ago as a way to use new online food delivery tools to maximise their existing businesses, Meal Ticket Brands is setting the benchmark for virtual restaurants. Their team invested endless sweat and smarts; they learned what works and what doesn't; and they identified and overcame the obstacles along the way.

Meal Ticket Brands now offers innovative and exciting tools that help restaurants reach new customers, grow their food delivery operations and diversify their revenue channels. All by using existing resources and capacity in a better, smarter way.

Meal Ticket Brands has created a broad portfolio of virtual restaurant brands which have been created, tested, and perfected by their passionate team. Here are some examples from their family of brands:

“For us, it’s truly the reason we survived the pandemic. It’s what kept us alive and kept my staff being able to come to work.” → GM Jenn Bach, Townhall Maple Ridge GM



WTF Burger & Fries: If the occasion calls for the biggest, baddest burgers around, WTF is the brand with great burgers and a side of free-spirited attitude

The Sandwich Club: Sometimes the occasion demands a great sando, and The Sandwich Club delivers classics and new creations elevated with the freshest ingredients

Hana Poke: Our poke shop for the people comes from a place where the sun inspires, the sea dances and the food nourishes.

Sweet Tooth Desserts: Who needs a main course when you can skip straight to Cheesecake by The Cheesecake Factory Bakery, Popcorn by Kernels Extraordinary Popcorn, plus chocolate cake, cream pie and many more sweet options!

Frsh Frys: The French Fry is loved on every continent, and Frsh Frys turns the side dish into the main attraction with a range of incredible toppings. Choose a classic like the Perogy or Buffalo Chicken Fries, or select your toppings to make your own fry-sterpiece!

How the Meal Ticket Brands Process Works

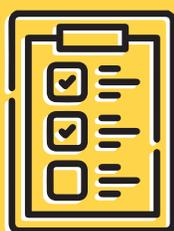
Working with a virtual restaurant company may seem complicated, but Meal Ticket Brands has worked tirelessly to make the process simple and turnkey for partner kitchens.

Here's what the process looks like:

1 Curated Brands: Meal Ticket Brands work with you to select brands that are the right fit for each kitchen partner's team and restaurant



2 Complete Support: The MTB team handles absolutely everything – a thorough program for menus, recipes, training, branding, marketing, promotions, technology



3 Ordering & Inventory: MTB helps restaurants with ordering inventory for packaging and ingredients.



4 Big Digital Presence: MTB places each virtual restaurant brand on UberEats, DoorDash, and SkipTheDishes, multiplying the number of digital storefronts and increasing incremental revenue potential

“When I bring on a new staff member learning the menu with Meal Ticket, it's almost second nature. It's very tailored to be quite easy.”

➔ Chef David Wallace, Townhall Maple Ridge

5 Simple to Execute: Customers find the brands digitally where they place an order, which is prepared by the partner kitchen and handed to the delivery driver. It's that simple

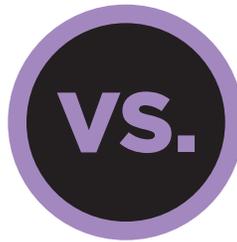
6 Low Start-up Costs: The only expenses necessary for start up are packaging for orders, and whatever ingredients not currently carried in the partner kitchen pantry

7 Prompt Payment: Kitchen partners are paid promptly for the orders, less commission and delivery fees.

Creating your own Virtual Restaurant or working with Meal Ticket Brands, what's right for you?

For many restaurateurs, developing menus and brands is part of the creative joy they get from being in the hospitality industry, so they ask: “why don't I just develop my own virtual restaurant instead of working with you?” Here's a comparison of what is involved in each approach.

Creating your Own Virtual Restaurant



Launching a Branded Virtual Restaurant

Developing your own virtual restaurant means:

Longer timelines: Developing a new virtual restaurant concept and menu from scratch is both time and energy intensive.

Higher start-up costs: From developing a new concept and menu to branding, packaging, marketing and promotion, the costs of creating your own virtual restaurant can add up.

Limited exposure: A brand-new virtual restaurant concept with no established brand recognition or solid marketing plan can take a long time to gain traction online. It could be a while before you build up a customer base and start seeing a return on your investment.

No third-party sales commissions: Most third-party virtual restaurant companies are reimbursed through a percentage of sales, however the expenses and risks associated with creating and maintaining your own virtual brands often far outweigh the costs of these commissions.

Ongoing Investment: The digital food delivery space is crowded, and getting noticed requires ongoing investment in in-app promotion, search engine marketing, and social media content and management.

Meal Ticket Brands Virtual Restaurants:

Are the full package: Meal Ticket Brands has done all the work and checked all the boxes needed to launch. They have fully developed concepts and menu, professional branding and packaging, and effective marketing campaigns.

Can be rolled out quickly: Being fully developed and ready for turnkey rollout, Meal Ticket Brands virtual restaurants can add a new revenue stream to restaurants quickly. With concept, packaging, marketing, being more fully developed, the lead time to taking orders can be very short.

Have been field tested: With extensive time spent testing and developing each virtual restaurant, Meal Ticket Brands have worked through all the kinks in the system so that you don't have to.

Come with a team to support you: When you're rolling out a Meal Ticket Brands virtual restaurant, you'll have a full support team to help train your team before launch, then you'll have operational and marketing support to ensure your success.

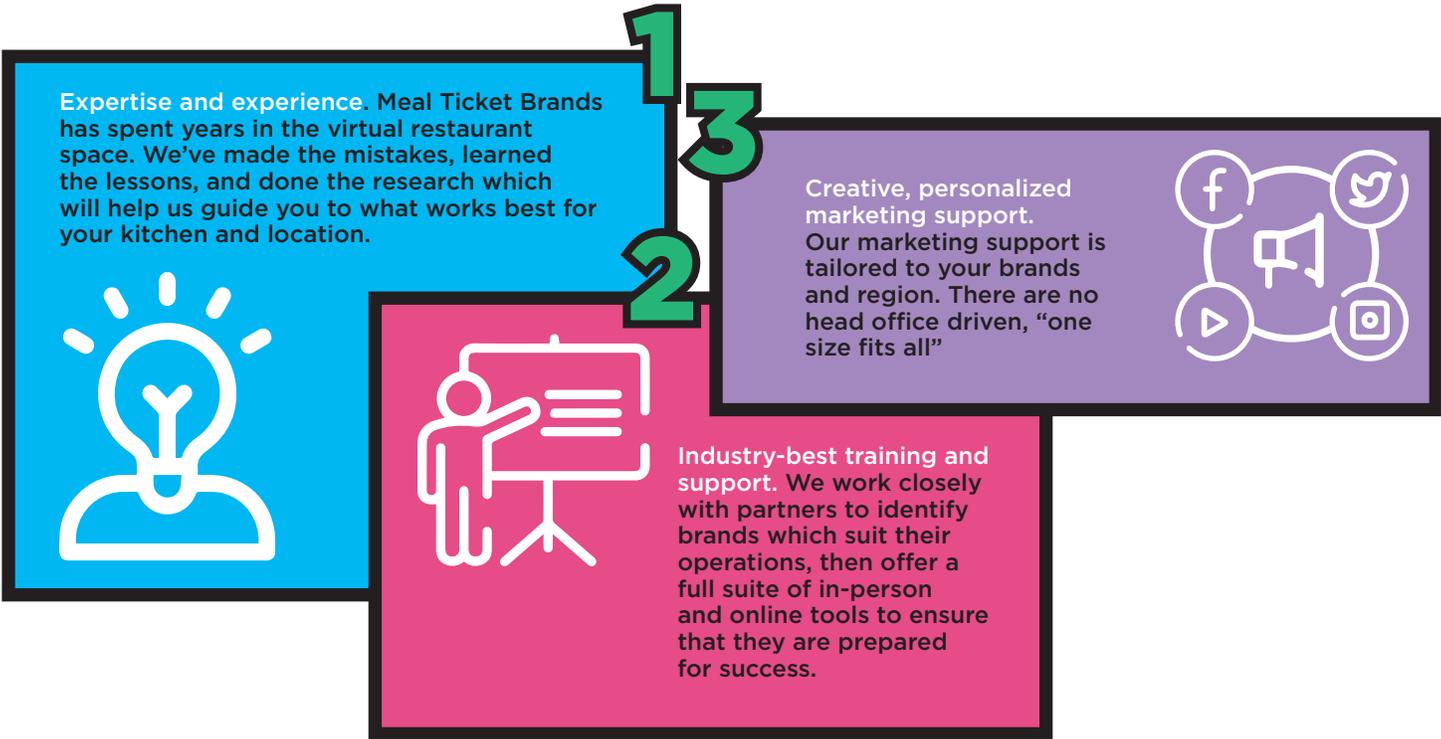
Are established: Meal Ticket Brands virtual restaurants come with marketing campaigns and an established digital presence allowing consumers to gather the information and research needed to make their ordering decisions.

How is Meal Ticket Brands different from other 3rd party Virtual Restaurant Companies?

A virtual restaurant is like a suit or a gown, you can buy the fanciest brand, but if it doesn't fit, it will never look right, make you feel good, or work properly for you.

Think of Meal Ticket Brands as a custom tailor, one that knows precisely how to measure your operation and market and develop custom food delivery solutions specifically fitted to your business.

“Top Three Reasons to Partner with Meal Ticket Brands”



The experts at Meal Ticket Brands take the time to understand the nuances and uniqueness of each kitchen partner. They consider a whole host of variables like location, staff, market interest/saturation, local appetites, supply chain/COGs, business objectives, kitchen capacity, and hours of operation, and then recommend the MTB brands which will set them up for success without negatively impacting their existing operation.

The Meal Ticket Brands team is constantly working and fine-tuning brands and products, and they can test and perfect concepts through their family of brick-and-mortar restaurants.

While other third-party virtual restaurant companies are less focussed on partner success than on their own, Meal Ticket Brands is building long-term relationships which bring success to both parties.

Let Meal Ticket Brands Help you Succeed in the Virtual Restaurant Game

Virtual restaurants are here to stay and their continued growth and success means that consumers will become ever more comfortable ordering from brands which do not have a brick and mortar presence.

Born from one independent restaurateur's desire to do a better job in the food delivery market, Meal Ticket Brands is deeply rooted in the day-to-day reality of running restaurants, so we're able to help our partners succeed in the field.

Meal Ticket Brands is committed to being the benchmark for virtual restaurants in North America. Everything they do is driven by the goal of helping independent restaurateurs gain sales and revenue growth from virtual restaurants which they can use to strengthen their primary business.





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